3. ECONOMIC AND EMPLOYMENT NEEDS REPORT FOR NIGHTCAP VILLAGE

Derek Kemp, Prosperous Places - 2006

'Economic and Employment' Needs Report

Nightcap Village

Master Plan

© Derek C. Kemp
'Prosperous Places'
9 Hoylake St
Indooroopilly
Qld. 4068
07 33789 465
dkemp@gil.com.au

Disclaimer:

The figures in this report are only intended as an indicative, pre-feasibility, scoping analysis. They should not be relied upon to make particular property, individual investment or other financial decisions.

Those interested in purchasing, renting, developing or investing in, or near, should commission their own, more detailed, property specific, financial and cash flow analyses and full feasibility studies.

© Derek Kemp *'Prosperous Places'* 2006

Contents

Executive Summary

1.0 INTRODUCTION

2.0 LOCAL DEMOGRAPHIC AND EMPLOYMENT TRENDS
- 2.1 Residential Population in the Kyogle and Uki Urban Centres
- 2.2 Employment Characteristics of the Residential Population
- 2.3 Employment Structure In Kyogle Compared With Other Centres
- 2.4 The Quality of Jobs In Kyogle Compared With Other Urban Centres
- 2.5 Comparisons With Employment in Nearby Rural Centres
- 2.6 Changing Future Demand Caused By Population Changes

3.0 THE DESIRABLE PROVISION OF RETAIL AND COMMERCIAL SPACE
- 3.1 The *'Residential Population Driven'* Demand For Commercial Space
- 3.2 Other Sources of Demand For Business Space

4.0 TAPING THE 'NEW ECONOMY' AND 'CREATIVE BUSINESS' MARKET
- 4.1 'Life Style' Opportunities Needed To Attract These Market Segments

5.0 THE PROSPECTS FOR 'COMMERCIAL SUCCESS'

6.0 ECONOMIC AND EMPLOYMENT OPPORTUNITIES CONCLUSIONS

ATTACHMENT: 'Further Indications Of Potential Residential Demand'

© Derek Kemp *'Prosperous Places'* 2006

Executive Summary

The *'Nightcap Village'* can best contribute to sustainable economic and employment growth in the local area, Kyogle and the Tweed shire by:

- Reversing the decline in residential population, projected by the Department of Planning for the Kyogle Area
- Providing a broad range of residential accommodation suited to different social, economic and age groups
- Attracting new business founders to establish new businesses in the area – especially creative and information based 'new economy' businesses
- Attracting those with 'high net worth' and 'high incomes' to live, work recreate and visit this part of the region
- Attracting day visitors, tourists, bus, coach and tour operators to visit and spend longer in this part of the region.

The *Nightcap Village* development can help counter emerging, adverse demographic, community and business conditions by:

- Increasing the local resident population by a projected 1,000 (More than offsetting the 880 person population decline projected for the Kyogle Area)
- Creating and diversifying local business and employment opportunities. (Through this increased resident population, by attracting younger residents with greater needs and expenditure to the area, by attracting self-employed business people with business needs, and by providing a 'destination' attracting more visitors for longer periods to the region)
- Providing a greater, more diverse, improving rate base. (Reducing the financial burden on Council, and providing greater ability and flexibility for Council to meet community needs)
- Providing and maintaining new local community facilities and services, including recreational and visitor facilities. (That will help reduce the demands placed on Council and future, recurring Council expenditure).

There should be increased local trade and increased overall demand for local business premises elsewhere, and *no negative impact on local businesses* if the *'Nightcap Village'* provides:

- Up to 1,120 sq m of retail space
- 600 sq m of cafes and restaurants, and
- 2,600 sq m of small business space

1.0 INTRODUCTION

This report provides a summary of the investigations carried that underpin the economic and employment justification for the *'Nightcap Village'* development and the amount of retail, commercial and business space that can be justified.

Section 2.0 reviews local demographic and employment trends and identifies their implications and how the *'Nightcap Village'* can address these issues.

Section 3.0 identifies the desirable provision of retail, business and commercial space.

Section 4.0 examines the extra dimension that the *'Nightcap Village'* can provide to the Tweed Shire and local economic and employment development by attracting knowledge based and creative businesses founders as permanent, long-term residents.

Section 5.0 considers the prospects for 'commercial success' based on the recent asking prices for residential properties in nearby places.

2.0 LOCAL DEMOGRAPHIC AND EMPLOYMENT TRENDS

This section reviews local demographic and employment trends and identifies their implications and how the *'Nightcap Village'* can address these issues.

2.1 Residential Population in the Kyogle and Uki Urban Centres

As at the 2001 Census (the latest figures available), the total Kyogle Rural Area had a resident population of 9,820.

The urban centre of Kyogle (the UCL comprising 13.3 sq km) had a resident population of 2,737 (28% of the total population of the area). Of these 609 (22%) were under 15 years old (compared with 17% for the Tweed Heads SSD). A further 605 (22%) were aged over 65 years old (compared with 27% for the Tweed Heads SSD).

Consequently there were 1,523 (56%) of Kyogle's urban residents of working age (equivalent to the 55% of residents of working age in the Tweed Heads SSD). Of these, almost a third (415 or 27%) were young people aged between 15 and 29 years (compared with 24% for the Tweed Heads SSD).

Thus there are proportionately more 'children' and 'young people', and far fewer 'retirees', living in Kyogle than in Tweed Heads. Although the proportion of the resident population of 'working age' is similar in Kyogle to Tweed Heads, there are proportionally more 'young adults' of employable age living in the Kyogle urban area.

The Uki urban area had a residential population of 211 in June 2001. There were 56 (27%) residents under 15 years old and 20 (10%) aged over 65. Resulting in 135 (64%) of the resident population being of working age (some 19 or 14%) being aged between 15 and 24 years old.

No one under 19 years old living in Uki worked and only 9 persons aged less than 25 years old worked (although these comprised only 14% of all resident workers).

Overall, the Kyogle and Uki urban areas have younger residents than the Tweed Heads SSD. Kyogle has lower household incomes than the Tweed Heads SSD, but Uki higher individual income than Tweed Heads.

Summary Socio-economic Indicators	***Tweed SSD***	***Kyogle UCL***	***Uki UCL***
Median age of residents	46 years	*41 years*	*38 years*
Median monthly housing loan repayments	$800-$999	$600-$799	$600-$799
Median weekly rent	$150-$199	$100-$149	$100-$149
Median weekly individual income	$200-$299	$200-$299	*$300-$399*
Median weekly family income	$600-$699	$600-$699	$600-$699
Median weekly household income	$500-$599	*$400-$499*	$500-$599
Mean household size	2.3 persons	2.4 persons	2.6 persons

Implications:
It is clearly very important to maintain employment, and increase household incomes, in the Kyogle/Uki area.

This is essential to sustain the local economy, support local business and provide future local jobs for the relatively high proportion of local young people.

2.2 Employment Characteristics of the Residential Population
Of the 1,523 of Kyogle's urban residents of working age in 2001, only 857 (56%) were employed. Of these, precisely two thirds (67%) were employed full-time and one third (33%) employed part-time. This compares favourably with 57% of full-time employment and 43% part-time employment for residents of the Tweed Heads SSD. (This can be attributed to the higher proportion of semi-retired people living in Tweed Heads and partly to part-time employment in tourism related industries).

Some 37% of the Kyogle resident population, and 35% of the Uki resident population were not in the labour force, compared to 43% for Tweed Heads.

The unemployment rate was 11% for Kyogle in June 2001(compared with 12% unemployment in the Tweed Heads SSD).

Of those living in Kyogle looking for work, 89% were seeking full-time employment (compared with 76% in the Tweed Heads SSD).

In the Uki urban area 14% were unemployed in June 2001 (13% of the male labour force and 16% of the female labour force).

Fewer were employed full-time in Uki (57%) and more part-time (43%) than in Kyogle (but the same proportion as the Tweed Heads SSD).

Of those living in Uki looking for work, all were seeking full-time employment (compared with only three quarters of those seeking work who lived in the Tweed Heads SSD).

Implications:
The Kyogle urban area has been relatively more successful than Tweed Heads and Uki in providing employment, especially full-time employment, for its residents.

It is important to maintain positive full-time employment outcomes, given the relatively high proportion of young people in the area, and the relative distance from employment opportunities from major employment centres.

Special attention needs to be given to providing suitable employment for women and young people.

Particular emphasis should be placed on providing sustainable, full-time employment.

2.3 Employment Structure In Kyogle Compared With Other Centres

Most residents in the urban centre of Kyogle are employed in retailing, followed by manufacturing and health and community services.

Kyogle, when compared with Tweed Heads, has more dependency on manufacturing (15% compared with 7%), and far less employment in the rapidly growing, 'accommodation, cafes and restaurants' sector (3% compared with 10%) and *'new economy',* 'business services' sectors (5% compared with 9%).

Uki also has a similar high dependency on manufacturing (14%) but with less emphasis on retailing (14% compared with 19% and 20% respectively in Kyogle and Tweed Heads), and more emphasis on employment in 'accommodation, cafes and restaurants' sector (16% of employment in contrast with 10% in Tweed Heads and 3% for Kyogle).

Employment Structure	***Kyogle UCL***	***Tweed SSD***	***Uki UCL***
Agriculture, Forestry and Fishing	4.5%	2.3%	0.0%
Mining	0.0%	0.1%	0.0%
Manufacturing	***14.6%***	***6.8%***	***14.1%***
Electricity, Gas and Water Supply	0.5%	0.5%	0.0%
Construction	6.2%	9.1%	4.7%
Wholesale Trade	6.4%	3.7%	4.7%
Retail Trade	19.2%	20.1%	***14.1%***
Accommodation, Cafes and Restaurants	3.1%	10.4%	***15.6%***
Transport and Storage	4.6%	3.6%	4.7%
Communication Services	0.8%	1.2%	4.7%
Finance and Insurance	1.6%	2.3%	0.0%
Property and Business Services	***4.7%***	***9.1%***	***9.4%***
Government Administration and Defence	4.0%	3.2%	0.0%
Education	8.8%	6.3%	9.4%
Health and Community Services	12.5%	11.7%	***4.7%***
Cultural and Recreational Services	1.5%	2.9%	***9.4%***
Personal and Other Services	4.0%	4.0%	0.0%
Non-classifiable economic units	0.4%	1.0%	4.7%
Not stated	2.7%	1.6%	0.0%
	100.0%	100.0%	100.0%

Implications:
Historically, the Kyogle area has been very successful in creating employment in the rural and related manufacturing sectors.

However, the Kyogle area is not doing well in tapping into the high growth, 'tourism and visitor' and 'business services' sectors.

These are existing and future, 'new economy' sectors, with high employment growth, that are most likely to provide good local job outcomes.

Uki residents are employed in 'manufacturing', and 'cafes and restaurants' but find fewer jobs in 'retailing'. So there is increasing need to provide retail jobs and maintain tourism and visitor attraction to this part of the Region.

The 'business services' sector is most likely to provide good quality, and high-income local jobs and create and maintain higher demand for local retailing and services.

Tapping into these sectors will be particularly important to maintain local employment. Particularly in the face of broader 'structural adjustment' adversely affecting local business and employment prospects.

It will also add to the residential retention in the area and help take some of the pressures off coastal areas.

2.4 The Quality of Jobs In Kyogle Compared With Other Urban Centres
Most residents in the urban centre of Kyogle are employed in lower skilled jobs, particularly in labouring and lower level clerical and sales jobs (51% of all employed residents).

Compared with Tweed Heads, there are fewer residents employed in 'professional', 'associate professional' and 'trade and related' jobs (36%, compared with 41% for Tweed Heads). There are notably more 'labourers' and 'production and transport' workers, and proportionally fewer 'intermediate clerical, sales and service' workers.

Uki has a similar high proportion of residents employed in 'labouring' as Kyogle (13% compared with 14% for Kyogle and only 9% for Tweed Heads).

However, Uki has a lower proportion of residents employed in 'intermediate level clerical, sales and services' than either Kyogle or Tweed Heads (9%, compared with 14% for Kyogle and 18% for Tweed Heads), and no residents employed in 'advanced' level clerical and services'.

Also a far higher proportion of employees presently employed in 'intermediate level production and transport' jobs (19% compared with 13% for Kyogle and only 8% for Tweed Heads).

Occupation of Residents	*Kyogle UCL*	*Tweed SSD*	*Uki UCL*
Managers and Administrators	6.1%	5.1%	8.8%
Professionals	11.9%	13.2%	10.3%
Associate Professionals	10.7%	13.1%	13.2%
Tradespersons and Related Workers	13.0%	14.2%	13.2%
Advanced Clerical and Service Workers	4.1%	3.8%	0.0%
Intermediate Clerical, Sales and Service Workers	***13.9%***	***18.0%***	***8.8%***
Intermediate Production and Transport Workers	12.5%	7.5%	***19.1%***
Elementary Clerical, Sales and Service Workers	10.1%	13.5%	13.2%
Labourers and Related Workers	***14.0%***	***9.3%***	***13.2%***
Inadequately described	1.0%	0.8%	0.0%
Not stated	2.7%	1.5%	0.0%
	100.0%	100.0%	100.0%

Implications:

Economic stability and future business prospects would be significantly improved if there were less local dependency on labouring, production and transport jobs.

A transition from this type of employment would increase the robustness of local employment and create a more sustainable local economy. Particularly given the prospects of continued structural adjustment.

The local and regional economy, and local business and retail prospects would be improved if there were more professional, business and higher income jobs provided in the area.

Particular attention should be given to maintaining and growing local tourism and visitor related employment. Accepting that many of these will be casual or part-time and lower skilled jobs. Which may suite the demographic characteristics of this rural area and the need to find alternative employment for the restructuring local, rural based economy.

In combination, this would also provide more local jobs for increasing numbers of local young people, and those with growing families who may otherwise have no option but to leave the Region.

2.5 Comparisons With Employment in Nearby Rural Centres

A comparison of employment structure between Kyogle, Uki, Nimbin and Murwillumbah, is very informative in distinguishing between the different economic bases of centres in the same Region.

The Murwillumbah urban centre has a resident population of 7,596 and Nimbin 400 (compared with Kyogle's 2,737 and Uki's 211 residents) as at June 2001.

Murwillumbah exhibits the typical employment structure of a *'rural services centre'*, with most employment in 'retailing' (18%), then in 'health and community' services (12%). It also has considerable manufacturing employment, although substantially less than Kyogle (manufacturing providing 9% of employment, compared with 15% for Kyogle).

Kyogle exhibits the typical employment structure of a *'rural production centre'*, with most employment still in 'retailing' (19%), but closely matched by jobs in 'manufacturing' (15%) strongly related to local rural production (in this case,

initially forestry). Followed closely by employment in 'health and community' services.

Uki posses a similar employment structure to Kyogle, but with little employment in 'health and community services' because of its far smaller resident population.

Employment Structure by Industry	***Kyogle UCL***	***Uki UCL***	***Nimbin UCL***	***Murwillumbah UCL***
Agriculture, Forestry and Fishing	4.5%	0.0%	0.0%	5.5%
Mining	0.0%	0.0%	0.0%	0.3%
Manufacturing	***14.6%***	***14.1%***	***12.3%***	***9.2%***
Electricity, Gas and Water Supply	0.5%	0.0%	0.0%	0.5%
Construction	6.2%	4.7%	***8.2%***	6.5%
Wholesale Trade	6.4%	4.7%	0.0%	4.0%
Retail Trade	19.2%	14.1%	***8.2%***	18.3%
Accommodation, Cafes and Restaurants	3.1%	***15.6%***	***16.4%***	5.5%
Transport and Storage	4.6%	4.7%	4.1%	5.2%
Communication Services	0.8%	4.7%	***8.2%***	1.4%
Finance and Insurance	1.6%	0.0%	0.0%	1.8%
Property and Business Services	***4.7%***	***9.4%***	0.0%	***9.2%***
Government Administration and Defence	4.0%	0.0%	4.1%	5.7%
Education	8.8%	9.4%	***12.3%***	***6.6%***
Health and Community Services	12.5%	***4.7%***	12.3%	12.3%
Cultural and Recreational Services	1.5%	***9.4%***	0.0%	1.9%
Personal and Other Services	4.0%	0.0%	***13.7%***	3.4%
Non-classifiable economic units	0.4%	4.7%	0.0%	0.8%
Not stated	2.7%	0.0%	0.0%	1.9%
	100.0%	100.0 %	100.0%	100.0%

Nimbin, in contrast, possesses more of a 'new economy' employment structure. With less emphasis on traditional 'retailing' (8% of employment, compared with 14% to 19% for the other centres), but greater employment in 'personal and other services' (14%), accommodation, cafes and restaurants (16%) and 'education' (12% of employment compared with 7 to 9% of the other urban centres, including Murwillumbah with its greater education needs because it has almost three times Nimbin's resident population).

However, Nimbin retains a strong, complementary emphasis on rural 'manufacturing' (12% of employment, only slightly less than Kyogle and Uki).

Nimbin's 'new economy' orientated employment structure is also clearly apparent from the occupational of its residents, with 24% being 'professionals', and a further 23% being employed in 'associate professional' occupations (generally double the proportion in each of the other urban centres).

Occupation of Residents	***Kyogle UCL***	***Uki UCL***	***Nimbin UCL***	***Murwillumbah UCL***
Managers and Administrators	6.1%	8.8%	7.6%	6.1%
Professionals	11.9%	10.3%	***24.1%***	13.1%
Associate Professionals	10.7%	13.2%	***22.8%***	10.4%
Tradespersons and Related Workers	13.0%	13.2%	11.4%	13.0%
Advanced Clerical and Service Workers	4.1%	0.0%	3.8%	3.7%
Intermediate Clerical, Sales and Service Workers	13.9%	***8.8%***	11.4%	15.6%
Intermediate Production and Transport Workers	12.5%	***19.1%***	***3.8%***	10.1%
Elementary Clerical, Sales and Service Workers	10.1%	13.2%	***0.0%***	***12.8%***
Labourers and Related Workers	14.0%	13.2%	11.4%	13.4%
Inadequately described	1.0%	0.0%	0.0%	0.6%
Not stated	2.7%	0.0%	3.8%	1.1%
	100.0%	00.0%	100.0%	100.0%

There is a far lower proportion of lower skilled 'production and transport' workers (4%, compared with 10 to 205 in the other centres), and few local residents employed in low skilled, 'elementary clerical, sales and service worker' jobs.

However, there is still considerable employment in 'trades' and labouring jobs (with only a slightly lower proportion of such employment in the other, nearby urban centres in the Region).

Implications:
The *Nightcap Village* could be developed just to provide retailing and personal services, and some limited community facilities for its own resident population. Thereby, also increasing the goods and services conveniently located close to other rural residents.

Alternatively, the *Nightcap Village* could be developed to provide additional employment by attracting self-employed professionals and other 'new economy' small business founders and operators. That will provide more local jobs.

These would provide higher personal and business expenditure to support existing and additional local retail and personal service businesses that will provide even more local employment.

Significant additional employment could be created by the village becoming a interesting destination for 'tourists', 'day visitors' and 'day tour' operators'. This would enable additional retailing and more cafes and restaurants and provide additional employment in servicing accommodation, facilities and attractions.

This would also increase custom and passing visitor trade for other centres and visitor attractions on the route.

Beyond that, it should be possible to develop a local tourism and visitor orientated craft industry, 'new economy' manufacturing and small business services bases.

In combination these opportunities would result in substantial local employment, beyond that needed just to sustain the increased local resident population.

2.6 Changing Future Demand Caused By Population Changes
The State Department of Planning recently released population projections that predict a rapid decline in residential population for the Kyogle Rural Area.

The residential population is projected to fall by 300 (3%) in the next ten years and continuing to decline until it has fallen by 9% (880) by 2031 from the residential population that existed in 2001.

This population decrease will result in decreasing demand that will put pressure on retailing and services presently provided locally, in Kyogle and Uki.

The impact of any decreased in demand for retail goods and services, will be particularly serious in this area because of the high proportion of local employment in the retail sector. Retailing is the highest source of employment in the Kyogle Urban Centre (providing 19% of employment) and provides 14% of employment for Uki residents in 2001 (the latest figures available).

Because incomes are generally low in Kyogle and Uki, compared with elsewhere in the Region, and high-income jobs relatively scarce, there is less prospect of increased expenditure making up for this decline in 'population based' demand.

The income of residents aged over 15 years old in the Kyogle urban area is relatively low, typically averaging between $160 and $399 a week. (With relatively more people on lower incomes than in the Tweed Heads SSD, despite the Kyogle urban centre having proportionately far fewer retirees).

Average Weekly Income	Kyogle UCL	Tweed SSD
Negative/Nil	***4.4%***	3.7%
$1-$39	0.7%	1.0%
$40-$79	***2.5%***	1.9%
$80-$119	***3.1%***	2.5%
$120-$159	5.5%	5.9%
$160-$199	***15.0%***	14.6%
$200-$299	18.8%	***20.4%***
$300-$399	10.6%	***11.4%***
$400-$499	***9.5%***	8.5%
$500-$599	***7.6%***	7.0%
$600-$699	4.4%	4.4%
$700-$799	2.3%	***3.2%***
$800-$999	2.5%	***3.6%***
$1,000-$1,499	2.8%	***3.2%***
$1,500 or more	1.2%	1.1%
Not stated	9.0%	6.9%

'Household incomes' are typically $300 to $399 per week for 'family based' households (for 17% of all family households) in the Kyogle urban centre, and $200 to $299 per week for 'non-family' households (mainly single person households). There is clearly a greater proportion of high income households in the Tweed Heads SSD.

Weekly Household Income	***Kyogle UCL***	***Tweed SSD***
Negative/Nil income	0.3%	0.5%
$1-$199	***7.0%***	4.8%
$200-$299	***14.6%***	12.6%
$300-$399	14.7%	14.6%
$400-$499	9.7%	***12.2%***
$500-$599	7.3%	6.8%
$600-$699	7.9%	7.5%
$700-$799	4.9%	4.7%
$800-$999	7.4%	***8.1%***
$1,000-$1,199	4.7%	***5.9%***
$1,200-$1,499	4.1%	***5.3%***
$1,500-$1,999	3.3%	***4.3%***
$2,000 or more	2.1%	***2.4%***
Partial income stated(b)	6.8%	5.5%
All incomes not stated(c)	5.1%	4.9%
	100.0%	100.0%

Implications:
It is clearly very important to maintain employment, and increase household incomes, in the Kyogle/Uki area.

This is essential to sustain the local economy, support local business and provide future local jobs for the relatively high proportion of local young people.

The *Nightcap Village* development can help to achieve better local and Regional economic and employment outcomes by providing significant increases to the local resident population, local purchasing power and local demand for goods and services.

The *Nightcap Village* development can more than compensate for otherwise adverse local demographic, community and business conditions by:

- Increasing the *local resident population* by a projected 1,000 (More than offsetting the population decline of 880 currently projected for the Kyogle Area)

- Attracting *younger families and residents* with greater needs and expenditure to the area

- Attracting *wealthier and higher income residents* with greater 'purchasing power' and greater 'disposable income'

- Attracting *self-employed business people* with business needs, personal and employee needs to be met locally

- Creating a *'destination' attracting visitors* who will spend longer and spend more money in the Region.

- Providing *new local community facilities and services*, including recreational and visitor facilities, which will encourage residents and visitors spend more time in the Region.

3.0 THE DESIRABLE PROVISION OF RETAIL AND COMMERCIAL SPACE

Given the overall population decline projected for elsewhere in the Region, there will be no broader 'population based' retail expenditure growth, the *Nightcap village* development should seek to capture.

However, it is reasonable to plan for the *'Nightcap Village'* to provide 'convenience' goods and services needed on a 'day-to-day basis' by its own resident population and that of the adjacent rural residential development.

It is *not* planned to capture any expenditure from retailing and services presently provided in existing centres. Although some 'two-way leakage of local expenditure to other centres from *the Nightcap Village* residents and businesses can be expected, just as the *Nightcap Village* may expect to attract some expenditure from residents not living in the Village.

3.1 The *'Residential Population Driven'* Demand For Commercial Space

The Nightcap Village development is planned to have a residential population of 1,000 and the adjoining rural residential development will provide a residential population in excess of 120.

'First–cut' projections indicate the total demand for retail goods and services generated by this residential population would be of the order of 2,000 sq m.

However, this includes the demand for 'higher order' retailing and 'higher order' services that would need to be provided at larger urban centres, such as Kyogle.

For example, there would not be anyway near enough residential 'population based' demand to attract a national chain supermarket (such as Coles or Woolworths) and even less prospect of attracting a discount department store (such as Target or Big-W).

'First–cut' projections indicate a residential population demand for 300 sq m of retail space providing basic grocery and convenience items.

Overall, projected *'residential population driven'* demand for goods and services (excluding the demand for department stores and discount department stores) could warrant the provision of about:

- 450 sq m of 'food retailing'
- 160 sq m of 'other retailing'
- 130 sq m of 'banking and finance'
- 160 sq m of 'property and business service'
- 140 sq m of 'medical services'
- 185 sq m of 'personal services'
- 100 sq m of 'cafes and clubs'
- 70 sq m of 'community services

1,400 sq m of 'commercial space'

Beyond that there could be at least 43 home based businesses employing 63 persons. A number of these can be expected to grow sufficiently to 'graduate' and to 'grow-out' to commercial space in the Village. Creating additional demand for about 150 sq m of commercial space.

This indicates a maximum *'residential population driven'* demand for about 1,500 sq m of commercial space.

Implications:

The question then arises of how much of this *'residential population driven'* demand for space should be planned for in the Nightcap Village.

A reasonable assumption would be:

- 300 sq m of 'food retailing' (66.6%)
- 80 sq m of 'other retailing' (50%)
- 45 sq m of 'banking and finance' (33.3%)
- 160 sq m of 'property and business services' (100%)
- 140 sq m of 'medical services' (100%)

- 95 sq m of 'personal services' (50%)
- 100 sq m of 'cafes and clubs' (100% given added visitor demand)
- 50 sq m of 'community services' (66.6%)
- 150 sq m of Home Based Business 'Grow-out' space

1,120 sq m of 'commercial space'

This would create sufficient demand for a maximum of 224 metres of *'active retail street frontage'* for the Village Centre. (That is about 100 metres at each side of a 'main street').

3.2 Other Sources of Demand For 'Business Space'

The *Nightcap Village* can be expected generate additional demand for commercial space from attracting:

- Tourist, recreational and 'day-trip' visitors, and
- Small 'new economy' businesses founded and operated by residents.

Tourist, Recreational and 'Day-Trip' Demand For Commercial Space

The additional demand for retail and office space from 'specialised tourist and visitor attractions' depends on the nature and range of attractions included in the development.

Day-trip visitors will be attracted by the presence of the village. The number of visitors attracted and their expenditure will depend on nature of the Village and the 'specialised tourist and visitor attractions' proposed. This will translate into additional demand for retail and personal services. Assuming 2,000 visitors a weekend spending on average of $20 to $30 each, this would suggest sufficient demand for 600sq m to 1,600sq m of additional commercial floor space.

Small 'New Economy' Business Demand For Commercial Space

The number of small 'new economy' businesses founded and operated by the residents of Nightcap Village will also depend on the final design and marketing of the Village.

However, it could be reasonable to project a maximum of 22 small office based businesses. Given these businesses employ up to 6 persons, including their proprietors, this would indicate a likely demand for an additional 2,600sq m of commercial space in the Village.

This would create sufficient demand for about 160 metres of *'active street frontage'* for the Village Centre. (That is about 80 metres at each side of a 'main street', or 160 metres fronting one street or a park).

Implications:

The most conservative approach would be to just provide a small convenience store of 300 sq m. However, the residential demand could warrant provision of over 1,000 sq m of retail space.

Given the nature of the development and the likely residents it would be reasonable to plan for at least 1,500sq m of commercial space. This could

include up to 240 linear metres of 'main street' office, retail and personal services (120 metres at each side of a 'main street')

Additional provision could be made for at least 600 sq m of cafes and restaurants and 2,600sq m of small business space.

4.0 TAPPING THE 'NEW ECONOMY' AND 'CREATIVE BUSINESS' MARKET

The extra dimension that the *'Nightcap Village'* can provide to the Tweed Shire economic and employment development is by attracting knowledge based and creative businesses founders as permanent, long-term residents.

There is a large pool of these potential 'new economy' small business founders already resident in the more urbanised, urban areas of South East Queensland and the Gold Coast. There is also reservoir of potential future residents of the Tweed Shire presently living in Sydney and Melbourne, and elsewhere in Australia. There are also overseas business and recreational visitors to Tweed Shire, South East Queensland and the Gold Coast who fall into these categories, who could be attracted to live in the Tweed Shire.

These can only be attracted Tweed Shire if the right type of 'urban village' life style and the right quality, high amenity residential, business and recreational opportunities are available.

It is estimated that 33% of all those in this identified 'target group' would be attracted to the *'Nightcap Village'* style of development.

As a result of recent research we are able to segment this market by their different 'life style preferences'. These potential residents fall into the two 'life style' categories of:

- *'Quiet Lifers'* (23% of the target group) – These seek a quiet, peaceful and more tranquil coastal or rural life. Increasingly these successful professional and business people and corporate and government employees are seeking to escape from their past hectic, urban life.

- *'Pragmatics'* (10% of the target group) – These are typically professional couples, and small 'new economy' based business founders. They will move to improve the 'quality of life' for their family. They seek out high amenity 'small townships' and 'rural villages', provided these are close to City facilities, quality health services and education,

4.1 'Life Style' Opportunities Needed To Attract These Market Segments

The quality of the natural environment is very important to people in these 'market segments'.

Living close to outstanding areas of outstanding natural beauty has proved very influential to attracting 'lone eagles' and 'high flyers', business founders who start their own technology, knowledge based and creative businesses, and those with scare technical and technology skills, 'who can live where-ever they wish'. Being able to conveniently recreate in natural areas close to where they live and work has been fundamental to attracting theses groups to smaller high amenity

cities and places with high natural amenity (such as Vancouver, Portland and Seattle; Washington State, Oregon and British Columbia).

Research shows these people make their residential decisions about the natural attractiveness, feel and character of the *'local places'* where they will live, work and recreate. They make their location decisions mainly on the basis of these local, 'place based' attributes, rather than based on the overall impression they have about a City or Region.

Their 'quality of life' considerations are strongly attached to the quality of the natural environment and the range of quality outdoor recreational opportunities available for themselves, their families, visitors and guests and those they may employ. They are also particularly important to attracting young creative people and young 'new economy' technology and information economy workers.

Particular importance is attached to good quality restaurants and cafes to enjoy with families, and being there to host work colleagues and friends. The quality of the local parks, local health and fitness and local recreational facilities and the quality of local schools and childcare facilities are also particularly influential in the residential decisions of these people.

However, it is the regular, 'day-to-day' contact with other people they get to know and become friends, be cause they meet them as they go about their daily lives, that then 'locks' them into continuing to live in any particular place.

Implications:
It is the personal friendships, and relationships formed from day-by-day contact with local business people, creative people and those with similar interests in the *'Nightcap Village'* environment that will then 'lock' these people into continuing to live and work in the Tweed Shire.

Casual, informal, local day-to-day contact is also vitally important to providing opportunities for creative and small business people and home based business people to share information, discuss problems, collaborate and share premises, facilities and equipment.

This is why *'Nightcap Village'* is designed to attract local residents, business and creative people, in ways that will maximise opportunities for frequent casual contact and to support strong social interaction.

5.0 THE PROSPECTS FOR 'COMMERCIAL SUCCESS'

The proposed development will:

- Both broaden and deepen the choices of housing locally available
- Open up a range of new residential 'market segments'
- Bring more people likely to establish their own businesses into the Region
- Create a new style of 'new economy' rural village
- Bring new permanent, 'high net worth' residents into the area
- Tap into the growing 'tree change', rural 'life style' market
- Complement, rather than compete with, the area's existing villages

Character *rural villages* are already proved highly attractive to *higher income professionals*:

- 55% of ***Nimbin*** residents are professionals (24%) or associated professionals (23%), managers or administrators (8%)

- 40% of ***Bangalow*** residents are professionals (20%) or associated professionals (13%), managers or administrators (7%)

- 34% of ***Mullumbimby*** residents are professionals (17%) or associated professionals (12%), managers or administrators (5%)

- Compared with only 29% of ***Murwillumbah*** residents who are professionals (13%) or associated professionals (10%), managers or administrators (6%)

These character rural villages have attracted people with high family incomes:

- 29% of ***Bangalow*** residents in 2001 had a family income greater than $52,000 pa in 2001 (10% greater than $78,000)

- 18% of ***Mullumbimby*** residents had a family income greater than $52,000 pa in 2001 (7% greater than $78,000)

- 16% of ***Murwillumbah*** residents had a family income greater than $52,000 pa in 2001 (6% greater than $78,000)

- 12% of ***Nimbin*** residents had a family income greater than $52,000 pa in 2001 (4% greater than $78,000)

At $78,000 pa households have the financial capacity to be in the market for land over $250,000 and are able to meet the loan repayments on house and land packages over $650,000

- This is the market segment that the market better quality 'master planned developments' in outer metropolitan areas are being positioning to tap into (equivalent regional alternatives are now beginning to be developed)

- 168 ***Murwillumbah*** urban residents (6%) fit this category in 2001

- 60 ***Mullumbimby*** village residents (7%) fit this category in 2001

- 31 ***Bangalow*** village residents (10%) fit this category in 2001

Half of ***Bangalow*** and half of ***Mullumbimby*** residents were paying monthly housing loan repayments over $800 a month ($9,600 per year, even in 2001)

Over three quarters (79%) of houses for sale in Mullumbimby, Bangalow and Nimbin are asking over $350,000 (January 2006). Over half (55%) are asking over $450,000, almost half (44%) over $550,000. These are all higher prices than those being asked in outer Metropolitan LGAs in Brisbane, such as Caboolture

Asking prices for land and homes, in the area in January 2006 were as follows:

Bangalow:

- Vacant residential lots asking $190,00 to $215,000 (12 lots left, in new estate within walking distance of town, asking price $212,000 for 6 of these 500 sq m to 907 sq m)

- Older stay houses asking from $395,000 to $480,000 (heritage home $790,000) in ***Bangalow*** in the township

- Asking $430,000 for a *one bedroom* designer apartment in the heart of the village

- New homes in new estates are asking $469,000 to $495,000, (older homes on acreage $675,000)

- Possum Creek (Fowlers Lane) asking $749,000 for house on 2 acres, with one 12th share of 113 ha of rainforest, farm and recreational land.

Mullumbimby:

- Town land asking $210,00 for 442 sq m to 509 sq m lots (with 24m frontage) at Mullumbimby (asking $210,000 to $215,000 for 475 sq m lots at Mullum)

- Older style houses are selling from $395,000 to $475,000 in the township

- $580,000 to over $1m (for architect designed homes) on large rural lots in scenic settings

The attached Tables summarise the present asking prices for residential properties in the area, as at January 2006.

6.0 ECONOMIC AND EMPLOYMENT OPPORTUNITIES CONCLUSIONS

Based on the forgoing analysis, the 'Nightcap Village' can best contribute to overall sustainable economic and employment growth in the local area, Kyogle and the Tweed shire by:

- Reversing the decline in residential population, projected by the Department of planning for the Kyogle Area

- Providing a broad range of residential accommodation suited to different social, economic and age groups

- Attracting new business founders to establish new businesses in the area – especially creative and information based 'new economy' businesses

- Attracting those with 'high net worth' and 'high incomes' to live, work recreate and visit this part of the region

- Attracting day visitors, tourists, bus, coach and tour operators to visit and spend longer in this part of the region.

The *Nightcap Village* development can help counter emerging, adverse demographic, community and business conditions by:

- Increasing the local resident population by a projected 1,000 (More than offsetting the population decline projected for the Kyogle Area)

- Creating and diversifying local business and employment opportunities. (Through this increased resident population, by attracting residents with greater needs and expenditure to the area, by attracting self-employed business people with business needs, and by providing a 'destination' attracting more visitors for longer periods to the region)

- Providing a greater, more diverse, improving rate base. (Reducing the financial burden on Council, and providing greater ability and flexibility for Council to meet community needs)

- Providing and maintaining new local community facilities and services, including recreational and visitor facilities. (That will help reduce the demands placed on Council and future, recurring Council expenditure).

There should be increased local trade and demand for business premises elsewhere, and *no negative impact on local businesses* if the *'Nightcap Village'* provides:

- Up to 1,120 sq m of retail space
- 600 sq m of cafes and restaurants, and
- 2,600 sq m of small business space

ATTACHMENT

FURTHER INDICATIONS OF POTENTIAL RESIDENTIAL DEMAND

Range of Asking Prices For Homes For Sale January 2006 (Nimbin, Mullumbimby, Bangalow)

All Three Townships	Town House Apartment	Normal Residence	Rural Residential	Rural Property with Home	***Total In Range***
Up to $150k			1.5%		***1.5 %***
$151 to $250k		6.3%	1.5%		***7.8%***
$250 to $350k		9.4%	1.5 %	4.7%	***15.6%***
$350 to $450k	1.5%	7.8%	9.4%	3.1%	***21.9%***
$450 to $550k		4.7%	3.1%	3.1%	***10.9%***
$550 to $1m		7.8%	20.3%	3.1%	***31.3%***
>$1m			4.7%	7.8%	***12.5%***

Range of Asking Prices For Homes
For Sale January 2006
(Each * equals one property)

	Town House Apartment	Normal Residence	Rural Residential	Rural Property with Home
Nimbin				
Up to $150k			*	
$151 to $250k		****	*	
$250 to $350k		******	*	***
$350 to $450k			****	**
$450 to $550k				**
$550 to $1m				*
>$1m				
Mullumbimby				
Up to $150k				
$151 to $250k				
$250 to $350k				
$350 to $450k		*****	**	
$450 to $550k		*	**	
$550 to $1m		****	*********	
>$1m			***	**
Bangalow				
Up to $150k				
$151 to $250k				
$250 to $350k				
$350 to $450k	*			
$450 to $550k		**		
$550 to $1m		*	****	*
>$1m				***

© Derek Kemp *'Prosperous Places'* 2006